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December 9, 2010

Community Credit Union  
*Higher Values. Trusted Service.*

Ms. Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Proposed Rule-Revisions to Reg Z-Credit Protection Products  
Regulatory Proposal: R-1390

Dear Ms. Johnson:

I am writing to oppose the changes to the credit insurance, debt protection and GAP Rules. After reading the proposed disclosure changes, I am dismayed that this proposed disclosure portrays credit life/disability in such a negative manner. This insurance protection is a supplement to the other insurance coverage the consumer may have. Many times, insurance coverage is allocated to protect the family and there may not be enough coverage to pay off debt. This could lead to delinquency or actual loss which will harm both the consumer and the financial institution.

To the average consumer that reads this disclosure they will view it as the insurance has no value to them and it should not be purchased. As both a seller and a servicer of this insurance, over the years our membership has found this insurance to be a true benefit during their time of loss or disability. Many times when a consumer is out on disability their salary has decreased but yet the loan payments have not and payments are required. This insurance takes the worry from the consumer by making the payment for them while they are out of work.

If these proposals do go into effect please consider the following: The box that states "How much does it cost?" on the G-16B example may be misleading if left as is. For many products, the insurance cost per month is based on the loan balance and as the loan balance decreases, the cost of the insurance will decrease. The average consumer will read this box as it is going to cost them \$63 per month regardless of the loan balance. Can this statement be changed to show the cost of the insurance per \$100 or the cost per \$1,000. Another possibility would be to show the total cost of the insurance over the life of the loan and members understand that the cost is based over the entire length of the loan. Our disclosure currently states the total cost of the insurance over the life of the loan.

I would like to ask that you review the proposed changes and either update the verbiage so that this insurance protection is not cast in such a negative way or leave the existing disclosures as they are now.

Sincerely,

A handwritten signature in black ink, appearing to read "Maryann Bedard", is written over a horizontal line.

Maryann Bedard  
Vice President Consumer Lending